

Keep!

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GREGORY W. HUGHES

1886-1956

ANDREW W. CLARK

1914-1967

D. COLLINS LEE

1886-1949

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REPLY TO:

COVINGTON

November 15, 1990

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Board of Directors  
Springhouse COA  
c/o Ms. Shirlie L. Scherzinger  
Community Administrator  
Association Management Corporation  
105 West Fourth Street  
Cincinnati, Ohio 45202-2786

RE: Corporate Actions

Dear Board:

This is to confirm that the corporation should have its own bank accounts, its own books, its own financial statement, its own reserves, and that the corporation should file its own federal and state tax returns. Each must have its own insurance coverage. Each must keep minutes, hold elections and make a budget.

I have spoken with Ms. Scherzinger and she says that Association Management Corporation (AMC) manages one development with at least four homeowners associations. AMC can maintain the separate identity of each corporation, but each Board must cooperate. In fact, each Board should insure itself that separate records are being kept so that it can defend itself from any claim of negligence in dealing with or mismanagement of corporate assets or affairs.

You should not resist this maintaining of the identity of each corporation, but instead should welcome it because each

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corporation is being brought in compliance with the community documents and with state corporation law. Does either corporation really want to operate outside of the community documents or outside of the law? If a director cannot accept the reality of there being two corporations, it would be better, both for the corporations and for the director personally, to resign and have another director appointed. Otherwise the director risks getting both herself or himself in trouble and the corporations in trouble.

If you have any questions, please call.

Very truly yours,



T. J. Brandt  
For ZIEGLER & SCHNEIDER, P.S.C.

TJB:nls